



The Secretary of Energy  
Washington, DC 20585

September 7, 2000

MEMORANDUM FOR ALL DEPARTMENTAL ELEMENTS

FROM: BILL RICHARDSON *BR*

SUBJECT: Greening the Government through Efficient Energy  
Management - Utility Cost Reductions Applied to  
Renewable Energy Premiums

The President issued Executive Order 13123, Greening the Government through Efficient Energy Management, in June 1999. This Executive Order states that "each agency shall strive to use electricity from clean, efficient, and renewable energy sources." In Section 404, Electricity Use, the President set guidelines, which include increasing purchases of electricity from renewable sources. I believe it is very important that the Department of Energy (DOE) establish itself as the leader in achieving the President's goals.

To that end, I direct DOE elements to purchase 3 percent of their total electricity requirements from non-hydro renewable sources by 2005 and 7.5 percent of its total electricity purchases from non-hydro renewable sources by 2010. Non-hydro renewable sources include generation from solar, geothermal, biomass, and wind technologies.

To reach these goals, Secretarial Officers must establish non-hydro electric power requirements and purchase non-hydro renewable energy for departmental facilities whenever overall net cost savings are achieved from competition, rate reductions, or contract negotiations.

In some instances DOE activities may find that electricity produced from non-hydro renewable energy costs more than electricity produced using other fuels. DOE programs can fund any incremental difference from the estimated cost savings of energy projects or savings obtained through lower energy costs to the extent that such savings are legally available for use.

Additionally, there are other opportunities when purchasing electricity to reduce the cost of electricity, and these cost reductions may be used to pay any additional incremental cost of non-hydro renewable energy. In the following instances, and others of a similar nature, a portion of the reduced cost savings may be dedicated to purchasing electricity from non-hydro renewable sources:



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